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Testo del comunicato

Vedi allegato.

PRESS RELEASE

CERVED GROUP: THE BOARD OF DIRECTORS OF CERVED GROUP HAS APPROVED THE ISSUER'S STATEMENT

- **The Issuer's Statement relating to the voluntary public tender offer launched by Castor Bidco on all of the Cerved Group shares has been approved**
- **Key reasons based on which the Board of Directors of Cerved Group considers the unsolicited public tender offer not adequate for the shareholders of Cerved Group**

San Donato Milanese, 15 July 2021 – The Board of Directors of Cerved Group S.p.A. ("**Cerved Group**" or the "**Issuer**"), gathered today, unanimously approved the statement of the Board of Directors (the "**Issuer's Statement**") pursuant to Article 103, paragraphs 3 and 3-*bis* of Legislative Decree no. 58/1998 (the "**Italian Consolidated Financial Act**") and Article 39 of Consob regulation no. 11971/1999 (the "**Issuer's Regulation**"), relating to the voluntary public tender offer (the "**Offer**") launched by Castor Bidco S.p.A. (the "**Offeror**") – pursuant to articles 102 and 106, paragraph 4, of the Italian Consolidated Financial Act and of the relevant implementing provisions of the Issuer's Regulation – on all CG Shares.

The Issuer's Statement contains all information useful to evaluate the Offer as well as the Cerved Group Board of Directors' evaluation of the Offer and on the fairness of the Consideration (as defined below). Namely, the Board of Directors deems that consideration of the Offer, equal to EUR 9.50 per CG Share, is financially inadequate.

For the purpose of the above evaluation of financial inadequacy of the Consideration, the Board of Directors has taken into account, *inter alia,* the fairness opinions issued by its financial advisors Mediobanca – Banca di Credito Finanziario S.p.A. and UBS AG, London Branch, as well as by Morgan Stanley & Co International Plc, the financial advisor that the independent directors of the Issuer have engaged to support them in their independent evaluations.

The full text of the fairness opinions issued by the abovementioned financial advisors, including Morgan Stanley & Co International Plc, is attached to the Issuer's Statement.

The Issuer's Statement also contains the Board of Directors' valuation as to the effects, should the Offer be successful, on the interests of the Cerved Group as well as on the employment levels and on the locations of the production sites.

Below is a summary of the main reasons based on which the Board of Directors deems the Offer not adequate for the Shareholders of Cerved Group.

For a comprehensive information, reference is to be made to the Issuer's Statement and to the Offer document published by the Offeror on 8 July 2021, the full consultation of which is recommended. Such documentation can be consulted, among others, on the Issuer's website (*http://company.cerved.com*), section "*Investor Relations & Sustainability (ESG)*", "*Tender Offer*" area.

At the same meeting, the Board of Directors resolved not to tender the 1,515,609 CG Shares held by the Offeror, equal to 0.776% of the share capital of the same.

Capitalized terms not otherwise defined in this press release shall have the same meaning attributed to them under the Issuers' Statement.

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THE BOARD OF DIRECTORS OF CERVED GROUP, AFTER CAREFUL EVALUATION OF THE AVAILABLE DOCUMENTATION, CONSIDERS THAT THE UNSOLICITED VOLUNTARY PUBLIC TENDER OFFER IS NOT ADEQUATE FOR THE SHAREHOLDERS OF CERVED GROUP FOR THE FOLLOWING MAIN REASONS:

1. **The Offer Consideration does not adequately remunerate the Issuer's Shareholders because it does not incorporate the prospective value of the CG Shares expected from the execution of the Business Plan, which the Offeror has declared to intend to support, and which provides for growth and profitability objectives confirmed by the results reported by the Issuer in the first quarter**

The Business Plan provides for: organic growth of the Issuer's consolidated revenues expected between +5.0% and +7.0% (expressed as a compound average annual rate 2020-2023); organic growth of Cerved Group's consolidated Adjusted EBITDA(1), expressed as a compound average annual rate 2020-2023, between +5.0% and +7.0%; and expected growth from acquisitions between +2.0% and +3.5%, resulting in total consolidated growth between +7.0% and +10.5% and a conversion rate of Adjusted EBITDA(2) into Operating Cash Flow(3) between 75% and 80% by 2023.

The Offer Document confirms that the assumptions and growth objectives of the Business Plan are solid. In the Offer Document, the Offeror has declared that it intends to ensure continuity to Cerved's current Business Plan, developed by the Issuer's management team, in all possible scenarios: namely both in the event that the ION Group acquires control of Cerved Group and in the event of a waiver of the Threshold Condition and of the purchase of a minority shareholding (provided it exceeds 10% of the share capital).

The results reported by the Issuer in the first quarter of this year confirm the validity of the strategic course outlined by the Business Plan.

In addition, the Board of Directors believes that the opportunities for the Country's development, promoted by the public finance programmes envisaged in the context of the National Resilience and Recovery Plan, as well as supplementary programmes such as *React EU* and the *Fondo Complementare Nazionale,* further support the Issuer's growth prospects: in their implementation, the Issuer will take on a key role in the management of data essential to the functioning of businesses, finances and public administration in Italy. This element further corroborates the economic and financial objectives set out in the Issuer's Business Plan.

For further information, please refer to Section 2, Paragraph 2.7, of the Issuer's Statement.

Despite the soundness of the Business Plan, the Consideration does not reflect the prospective value of CG Shares: as explained in greater detail in Section 4 of the Issuer's Statement, the Discounted Cash Flows (DCFs) prepared by the Financial Advisors (which estimate the value of the Issuer in the event of full execution of the Business Plan) lead to **a valuation range per CG Share which is entirely above the Consideration** and which attests that **the Offeror does not adequately value the growth prospects underlying the Business Plan, even though it agrees with its assumptions and objectives, having declared its intention to pursue it.**

Therefore, the Board of Directors believes that those Issuer's Shareholders who decide to not accept the Offer and to remain holders of their CG Shares could **benefit**, in the near future, **from the greater value deriving from the implementation of the strategies of growth, development and valorisation of the CG Group set out in the Business Plan and achieve economic benefits which are not adequately reflected in the Consideration**.

For more information, please refer to the Section 2, Paragraph 2.1, of the Issuer's Statement.

(1) Adjusted EBITDA reported by Cerved Group and calculated as EBITDA net of personnel costs related to remuneration paid in the form of shares as set out in the "*Performance Share Plan 2019-2021*" and "*Performance Share Plan 2022-2024*" remuneration plans.
(2) See previous footnote.
(3) Operating Cash Flow reported by Cerved Group and calculated as: Adjusted EBITDA - Capital Expenditure - Δ Net Working Capital +/- other monetary items.

2. Acceptance of the Offer precludes the Shareholders from accessing the benefits deriving from the sale of Cerved Credit Management Group S.r.l., which are not reflected in the Consideration amount

On 7 March 2021, Cerved Group issued a press release which confirmed that negotiations were underway with private equity funds for the sale of the subsidiary Cerved Credit Management Group S.r.l. ("**CCMG**"). This news was appreciated by the market, as evidenced by the share performance, equal to +14.6%(4), registered on 8 March 2021, the day in which, after the financial markets closed, the Offeror announced the Offer.

The Consideration implies a valuation of Cerved Group at an expected EV/EBITDA multiple of 2021E and 2022E(5) equal to 11.1x and 10.5x, respectively. **These multiples incorporate a discount of approximately 46% and 43%, respectively, as compared to the average of companies operating in the Data Intelligence sector**(6) and do not recognize any control premium. Furthermore, they do not reflect the Issuer's potential valorisation that, according to the Board of Directors, would result from the possible sale of Credit Management, the consequent refocusing of Cerved Group on Data Intelligence, and the elimination of the discount registered by the EV/EBITDA multiple compared to the average of the companies operating in the Data Intelligence sector.

The Board of Directors believes that **the sale of Credit Management represents a fundamental step in Cerved Group's development process and the creation of value for Shareholders,** and that **this potential prospective increase in value is not recognized in the Consideration.**

For more information, please refer to the Section 2, Paragraph 22, of the Issuer's Statement.

3. The Consideration does not adequately reflect the value that – in the event of a successful completion of the Offer – may be generated by the synergies and economies of scale resulting from the integration of Cerved Group into the ION Group

The Board of Directors believes that **the Consideration fails to consider the synergies arising from the aggregation between the Issuer and the group to which the Offeror belongs, that the Offeror itself has acknowledged in the Offer Document.**

The Offeror has declared that ION Group intends to ensure that, whatever the shareholding in Cerved Group it may hold following the success of the Offer (including the event of any waiver of the Threshold Condition), the Issuer may continue to be managed independently, giving continuity to the Issuer's current Business Plan drawn up by the *management team, while* "***taking advantage***" of synergies of scale and scope deriving "*from being part of global industrial group whose fundamental objectives consist of the acceleration of product innovation and "**improvement of operating efficiency**"*". In particular, the Offer Document makes reference to potential synergies arising from product development and innovation and synergies arising from sharing an enlarged customer base. It is also possible that in several of the scenarios envisaged by the Offeror upon completion of the Offer, cost synergies may be created between the two companies.

For illustrative purposes only, and to provide a benchmark for quantifying the impact on the price per CG share of any synergies that would be achieved through the combination of Cerved Group with ION Group, it is estimated that every Euro 10.0 million of annual synergies identified would result in a valuation uplift of approximately Euro 0.57 per CG share.

The Board of Directors notes that such benefits are not reflected in the Consideration and, therefore, those **Shareholders who intend to accept the Offer should consider that the acceptance would imply definitively renouncing to the opportunity to participate in the creation of value expected – in the event of a positive outcome of the Offer – from the above mentioned synergies**.
For more information, please refer to the Section 2, Paragraph 2.3, of the Issuer's Statement.

4. The premium declared by Castor Bidco is of limited informative value for the Issuer's Shareholders

(4) Calculated on the closing prices.
(5)EBITDA estimates based on the average of the estimates made by financial analysts who follow the stocks of the companies under review.
(6) Sample consisting of companies operating in the Data Intelligence sector: Experian, Equifax, Transunion, Fair Isaac, Dun&Bradstreet and Tinexta.

The Board of Directors believes that the premium over market prices which, since the publication of the notice pursuant to Article 102 of the Italian Consolidated Law on Finance on 8 March 2021, Castor Bidco has declared it intends to pay to the Issuer's Shareholders is of limited informative value. In fact, **the announcement of the Offer prevented the market from fully appreciating the positive impact of the potential sale of CCMG, announced on the calendar day prior to the launch of the Offer**. Specifically, the premium declared by Castor Bidco (34.9% with respect to the official price of CG Shares on 5 March 2021) should be assessed by comparing it to the performance (+14.6%[(7)]) that the CG Share registered on the Trading Day after the announcement of the potential sale of CCMG (i.e., Monday 8 March 2021), with respect to which the Consideration bears a much lower premium (21.6%).

The average premium recognized in transactions considered comparable with the one in question insofar as resulting in a change of control in the context of a public offering, announced in the 24 months preceding the Issuer's Statement Date, was equal to approximately 45% of the official price observed on the last trading day prior to the announcement. **This is more than 10 percentage points higher than the premium** – disclosed in the Offer Document – registered by the CG Shares on 5 March 2021 (the Trading Day prior to the Statement on the Offer) **and more than 23 percentage points** higher than the premium over the last trading price registered by Cerved Group on 8 March 2021, prior to the announcement of the Offer.

Furthermore, having taken place a few days before the presentation of the CG Group Business Plan, the announcement of the Offer immediately focused the market's attention on the Offer itself, without allowing the market to further appreciate the Business Plan in the days following its publication, which occurred on 26 March 2021.

Finally, the CG Share on a stand-alone basis could have continued to benefit from the **positive trend recorded by the Italian stock index in the period following the promotion of the Offer**: in the period between the announcement of the Offer (i.e., 8 March 2021) and the Issuer's Statement Date, the share price of comparable companies operating in the Data Intelligence[(8)] sector recorded a positive performance of +30,2%[(9)] and the FTSE MIB itself recorded a positive performance of +4,1%.

For more information, please refer to the Section 2, Paragraph 2.4, of the Issuer's Statement.

5. The market price of the CG Share is currently higher than the Consideration proposed by the Offeror

Following the announcement of the Offer by Castor, CG Shares traded on the MTA, for most of the period, **at a price incorporating a premium with respect to the Consideration**, thus indicating that the market considers that the Consideration does not to express an adequate valuation of the Issuer. Specifically, since May, the CG share has traded at a price incorporating an average premium of 2.9% with respect to the Consideration. On 8 July 2021[(10)], the official CG Share price stood at EUR 9.85, equal to a premium of 3.7%.

For further information, please refer to the Section 2, Paragraph 2.5, of the Issuer's Statement.

6. The Offer is promoted at CG Share price levels that are still adversely affected by the Covid-19 pandemic's effects on financial markets and the Italian economy

The Offeror's Price of EUR 9.50 **corresponds to a very limited premium of 1.3% over volume-weighted average price of EUR 9.38 registered by the CG Share on 21 February 2020**, the trading day before the first day on which the financial markets reacted to the news of the spread of the Covid-19 virus in Italy and worldwide.

The premiums implicit in the Consideration – compared with the average prices (weighted by trading volumes) of CG Shares in the 3, 6 and 12 months **before 21 February 2020,** as such unaffected by the uncertainty associated with the spread of Covid -19 – are modest (5.9%, 10.4% and 12.4%, respectively) **and significantly lower than those recognized in recent comparable transactions**.

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(7) Calculated on closing prices.
(8) See footnote 6.
(9) Simple average of the share performance of a sample of companies operating in the Data Intelligence sector (Experian, Equifax, Transunion, Fair Isaac, Dun & Bradstreet and Tinexta).
(10) Date of publication of the Offer Document.

The Board of Directors believes that Cerved Group's growth prospects and profitability have not been structurally affected by the temporary Covid-19 effects on the Italian economic context and that, therefore, the pre-Covid-19 values can be considered as a valid benchmark for determining the adequacy of the premium.

For more information, please refer to the Section 2, Paragraph 2.6, of the Issuer's Statement.

7. The Issuer's Shareholders who did not tender their shares into the Offer would still be protected by the safeguards provided under the law

In the event that the Offeror were to waive the Threshold Condition and come to hold an overall shareholding in the Issuer's share capital insufficient to achieve the Delisting through the fulfilment of the Purchase Obligation and/or the implementation of the Joint Procedure, there would be material uncertainties on the possibility of achieving the revocation of the CG Shares from listing through the Merger.

In fact, this transaction would need to comply with the safeguards and guarantees provided under the rules governing related-party transactions of greater relevance, aimed to protect the Issuer's Shareholders not tendering their shares into the Offer. In particular, should the Related Parties Committee render a negative opinion, neither the Offeror holding a controlling shareholding (*de facto* or by law) in the Issuer's share capital, nor ION Group exercising a dominant influence over the Issuer, would be sufficient to ensure the approval of the transaction (and, thus, the Delisting). This is because the Merger may not be executed if the majority of the Issuer's Shareholders other than Castor Bidco (and its related shareholders) attending the Shareholders' Meeting were to vote against the Merger.

In this scenario, **those Shareholders who did not tender their shares into the Offer would keep holding listed shares and, at the same time, could benefit from value creation expected from the Offeror's support to the Business Plan and the ION Group's contribution to the achievement of the synergies indicated in the Offer Document.**

For further information, please refer to the Section 3, Paragraph 3.1, of the Issuer's Statement.

8. Shareholders who were to decide not to tender their shares into the Offer may have subsequent opportunities to value their shareholding

Given the Offeror's intention to control the Company and to achieve its Delisting (as declared since the Offer was launched on 8 March 2021), and considering that the Offer's objectives were subsequently broadened so as to also involve the potential acquisition of a minority shareholding (i.e. a shareholding greater than 10% of the Issuer's share capital, not allowing any control, even *de facto*, of the Offeror over the Issuer) it is conceivable that, upon joining Issuer's shareholding structure as a minority shareholder, **further operations aimed at increasing the shareholding held by the ION Group may be implemented. This would result in possible divestment opportunities for the Issuer's Shareholders who did not tender all their shares into the Offer**.

For further information, please refer to the Section 3, Paragraph 3.2, of the Issuer's Statement.

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Cerved Group:
Cerved helps companies, banks, institutions, and individuals to protect themselves from risk and grow in a sustainable way. Thanks to a unique wealth of data and analytics, it provides clients with digital and artificial intelligence services and platforms to manage risk and support data-driven growth, also involving customised consultancy solutions. Through Cerved Credit Management it helps the financial and real system to dispose of and recover impaired loans. Cerved Rating Agency, one of Europe's leading rating agencies, operates within the group.

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*This press release does not constitute nor should be considered as an offer to buy, nor a solicitation to sell, underwrite, or otherwise dispose, any security. The Offer is made by Castor Bidco S.p.A. through the publication, by the offeror, of the offer document previously approved by CONSOB. The offer document describes all terms and conditions of the Offer and the acceptance procedures. Before accepting the Offer, the shareholders of Cerved Group S.p.A. should read the documents concerning such Offer pursuant to applicable law. This press release may only be accessed in or from the United Kingdom of Great Britain and Northern Ireland (i) by investment professionals with experience in matters relating to investments falling within the scope of Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (the "**Order**"), or (ii) by high net worth companies and by such other persons to whom the press release may be lawfully communicated being them falling within the scope of Article 49(2) paragraphs from (a) to (d) of the Order (jointly, the "**Relevant Persons**"). A copy of this document, or portions thereof, and any other document relating to the Offer is not and shall not be sent nor in any way transmitted or otherwise distributed, directly or indirectly, in the United States of America (or to "**U.S. Persons**" as defined under the U.S. Securities Act of 1933), Canada, Japan, Australia and any other jurisdictions where such Offer would not be allowed in the absence of any authorization from the relevant authorities or other regulatory obligations (such jurisdictions, including the United States, Canada, Japan and Australia are referred to as the "**Excluded Countries**") nor to a person resident, domiciliated or located in the United Kingdom of Great Britain and Northern Ireland who is not a Relevant Person. Anyone receiving such documents shall not distribute, forward or send them (neither by postal service nor by using national or international instruments of communication or commerce) in the Excluded Countries nor to a person resident, domiciliated or currently located in the United Kingdom of Great Britain and Northern Ireland who is not a Relevant Person.*

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